

**Substantial Amendment
to the Consolidated Plan**
The City of Greenville
Community Development Division

The Department of Housing and Urban Development has strengthened the requirements for Resale and Recapture under the HOME program. The City of Greenville has amended the Consolidated Plan to address these new changes. The changes to the Consolidated Plan are listed below:

HOME PROGRAM SPECIFIC REQUIREMENTS

HOME Resale and Recapture

The City of Greenville uses its HOME funds for both Homeowner Rehabilitation and Home Buyer Down Payment Assistance Programs. The City of Greenville utilizes the recapture provisions offered in the HOME Program regulations. Below is a description of our Recapture Provisions for both programs.

Homeowner Rehabilitation - The City offers forgivable loans for qualified homeowners to repair substandard owner occupied houses. The City's maximum forgivable loan, secured as a soft second mortgage is \$24,500. The mortgage shall be a five (5) or ten (10) year deferred payment loan depending on the amount of subsidy provided (<\$15,000-5 year; ≥\$15,000 – 10 year). Loans are forgiven at the rate of 1/60th or 1/120th per month. Upon any transfer of the property during the five or ten year period, the pro-rated portion of the loan is due and payable in full to the City of Greenville. The City will negotiate a repayment plan based on income in order to recover the HOME funds in a timely manner. All recaptured HOME funds will only be used for HOME eligible activities.

Homeowner Down Payment Assistance Program. Typically, the City offers mortgage subsidies for qualified buyers. This assistance is considered direct subsidy to the home buyer. The City's maximum mortgage subsidy, secured as a soft second mortgage does not exceed \$20,000 per home buyer. The mortgage shall be a five (5) or ten (10) year deferred payment loan depending on the amount of HOME subsidy provided (<\$15,000-5 year; ≥\$15,000 – 10 year). Loans are forgiven at the rate of 1/60th or 1/120th per month. The subsidy provided shall be the difference between the maximum loan that the potential home buyer can afford and the sales price. Under no circumstance will the City's mortgage subsidy exceed what is necessary to qualify the potential home buyer for a first mortgage.

Upon any sale of the property during the five or ten year affordability period, the pro-rata reduction of recapture amount during the affordability period is due and payable to the City of Greenville. The City will limit the amount to be recaptured to the net proceeds available from the sale. All recaptured HOME funds will be used for HOME eligible activities only.